

H.R. 45, the Senate bill contains provisions relating to settlement agreements between DOE and nuclear utilities and to backup storage.

Estimate prepared by: Federal costs: Kim Cawley (226-2860); Impact on State, local, and tribal governments: Majorie Miller (225-3220).

Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

ASIAN ECONOMIC AND SECURITY POLICY

Mr. BAUCUS. Mr. President, when we look at Asia these days, Americans' primary focus is on China and the many difficult challenges that we face in that relationship. Next on our list of what we are watching in the region is Japan where our economic and security relationship remains the linchpin of our presence in Asia. These days, however, Japan seems to get scant attention from either the public or the policymaking community. That is a mistake, but I will leave that issue to another day.

After Japan in our focus comes the Korean Peninsula where we are concerned particularly about North Korea and its nuclear weapons development, missile technology, military adventurism, possible economic collapse, and internal instability. As we continue down the list of important things to think about in Asia, we come to Indonesia and the future of economic and political reform and internal stability in that hugely important nation.

Some may differ with my analysis, but it appears to me that, right or wrong, these days, our nation is looking at Asia in this way.

Today, however, I would like to call the Senate's attention to two important developments in other countries in Asia, specifically Southeast Asia, that are not on this list. These developments have been reported in our media, but, generally, on the back pages. They should not be ignored, because they relate to America's broad strategy toward the region where our interests are in security, stability, and open markets.

The two developments are the passage by the Philippine Senate of a U.S.-Philippine Visiting Forces Agreement and the progress being made toward completion of a U.S.-Vietnam trade agreement.

After a decade of stable democracy and economic reform, the Philippines may be the strongest economy in Southeast Asia after Singapore. Security ties, however, have remained at a very low level since the end of the base arrangement in 1991. This changed dramatically two weeks ago when the Philippine Senate ratified the new Visiting Forces Agreement.

This arrangement, typical of the relationship we have with many of our allies, allows us to apply U.S. military law to American soldiers and sailors

overseas. Its ratification will permit us to renew joint military exercises, pay naval port visits, and develop a stronger and more cooperative relationship than we have had in the decade since we left Subic Bay and Clark Field. President Estrada and the Philippine Senate deserve great credit for their statesmanship in bringing these talks to conclusion.

The Visiting Forces Agreement also comes at an opportune time. Disputes between Southeast Asian states and China in the South China Sea are becoming more frequent. The financial crisis has forced most Southeast Asian nations to concentrate on internal economic issues. This agreement should give Southeast Asian countries more confidence in the U.S. commitment to the region, and, hence, serve as a long-term force for stability.

In the case of Vietnam, we appear to be getting close to a bilateral trade agreement, which will promote economic reform in Vietnam and allow us to grant them Normal Trade Relations status, NTR.

Vietnam, the fourth largest country in Asia and one that shares a land border with China, is an essential part of any regional policy. We have obvious historic sensitivities to address as we develop closer relations with Vietnam. We have taken a number of steps in the past few years—lifting the trade embargo, normalizing diplomatic relations, dispatching Pete Peterson as Ambassador, and concluding a Copyright Agreement, all in association with a commitment by Vietnam for full cooperation on resolving POW/MIA issues. As time passes, a normal and productive relationship with Vietnam will contribute immensely to stability and security in the southern Pacific.

We are now negotiating an agreement that would begin to open the Vietnamese market to foreign trade and investment. This will support economic reform and market opening in Vietnam while also creating new commercial opportunities for Americans in a market of 80 million people. The strategic implications of this agreement, which will move us down the road to a normal bilateral relationship with Vietnam, are important. It will strengthen Southeast Asia, reduce chances for conflicts in the wider Asian region, and place the United States in a stronger regional position.

Of course, an agreement must be meaningful in trade policy terms. It is not a WTO accession and, therefore, need not meet WTO standards, but it should include elements such as reform of trading rights and opening of key service sectors, in addition to other market-opening steps. For our part, if the Vietnamese are willing to conclude such an agreement, we should proceed rapidly to grant them Normal Trade Relations. This is in our trade and commercial interest, and also in our

strategic interest. We have an opportunity to integrate Vietnam more fully into the Asian and world economies. I encourage our Administration, and the Vietnamese government, to complete the Commercial Agreement expeditiously.

We should, parenthetically, also proceed to Normal Trade Relations with Laos, where a trade agreement has already been completed.

The Philippine Visiting Forces Agreement and the bilateral trade agreement with Vietnam, once completed, mean we have taken additional steps toward creating a post-Cold War framework involving open trade and security relationships in the Pacific. This is very much in our national interest.

CHEMICAL WEAPONS CONVENTION

Mr. AKAKA. Mr. President, as the ranking member of the Subcommittee on International Security, Proliferation and Federal Services, I want to stress the importance of the United States implementing in a timely manner the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction, commonly referred as the Chemical Weapons Convention (CWC).

The Convention is an important multilateral agreement that serves to reduce the threat posed by chemical weapons. It bans the development, production, stockpiling, and use of chemical weapons by signatory states. The Convention also requires the destruction of all chemical weapons and production facilities by signatory states.

The Convention does not, however, prohibit the manufacture, use, and consumption of chemicals that could be used as warfare agents or their precursor chemicals as long as these chemicals are used for legitimate peaceful purposes.

Although the Convention has been in force for 2½ years, the United States is not in the compliance because the administration has not yet submitted the required industrial declarations to the International Organization on the Proliferation of Chemical Weapons. This is a disappointment since the United States played a central role in spearheading development of this treaty.

Most of our allies have complied with their treaty obligations, but it is likely that they will not agree to a second round of inspections until the United States has submitted declarations and U.S. industry has undergone inspections.

The United States has the largest chemical industry in the world. This industry is involved in legitimate production, use, consumption, export and import of chemicals subject to verification under the Convention. The United States must serve as a model of